

No. 2943

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**UNION OF SOVIET  
SOCIALIST REPUBLICS  
and  
CZECHOSLOVAKIA**

**Treaty of Commerce and Navigation (with annex). Signed  
at Moscow, on 11 December 1947**

*Official texts: Russian and Czech.*

*Registered by the Union of the Soviet Socialist Republics on 27 September 1955.*

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**UNION DES RÉPUBLIQUES  
SOCIALISTES SOVIÉTIQUES  
et  
TCHÉCOSLOVAQUIE**

**Traité de commerce et de navigation (avec annexe). Signé  
à Moscou, le 11 décembre 1947**

*Textes officiels russe et tchèque.*

*Enregistré par l'Union des Républiques socialistes soviétiques le 27 septembre 1955.*

[TRANSLATION — TRADUCTION]

No. 2943. TREATY<sup>1</sup> OF COMMERCE AND NAVIGATION  
BETWEEN THE UNION OF SOVIET SOCIALIST REPUBLICS  
AND THE CZECHOSLOVAK REPUBLIC. SIGNED  
AT MOSCOW, ON 11 DECEMBER 1947

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The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics and the President of the Czechoslovak Republic, desiring to promote the further development and strengthening of economic relations between the two countries in accordance with the terms of the Treaty of Friendship, Mutual Assistance and Post-War Co-operation between the Union of Soviet Socialist Republics and the Czechoslovak Republic of 12 December 1943, have resolved to conclude a Treaty of Commerce and Navigation and have appointed as their plenipotentiaries for this purpose :

The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics : Mr. Anastas Ivanovich Mikoyan, Minister of Foreign Trade of the Union of Soviet Socialist Republics;

The President of the Czechoslovak Republic : Dr. Hubert Ripka, Minister of Foreign Trade of the Czechoslovak Republic and Dr. Jiri Horak, Ambassador Extraordinary and Plenipotentiary of the Czechoslovak Republic to the Union of Soviet Socialist Republics;

who, having exchanged their full powers, found in good and due form, have agreed as follows :

*Article 1*

The Contracting Parties shall grant each other most-favoured-nation treatment in all matters relating to economic relations between the two countries.

*Article 2*

The Union of Soviet Socialist Republics and the Czechoslovak Republic shall in particular grant each other most-favoured-nation treatment in all matters relating to customs duties and charges and taxes of all kinds; the interpretation of customs tariffs; procedures for collecting duties; the classification of goods; the drawback of customs duties; re-export; the trans-shipment and warehousing of goods; and the regulations, formalities and charges applied in the customs clearance of goods.

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<sup>1</sup> Came into force on 15 June 1948, upon the exchange of the instruments of ratification at Prague, in accordance with article 19.

The natural or manufactured products originating in or exported from the territory of one of the Contracting Parties shall in no case be liable, on importation into the territory of the other Party, to any duties, taxes or charges other or higher, or to regulations or formalities other or more burdensome, than those which are or may hereafter be imposed on similar natural or manufactured products of any third country.

Similarly, the natural or manufactured products of one of the Contracting Parties shall in no case be liable, on exportation to the territory of the other Party, to any duties, taxes or charges other or higher, or to regulations or formalities other or more burdensome, than those which are or may hereafter be imposed on similar natural or manufactured products exported to the territory of any third country.

Any advantages, facilities, privileges or immunities which are or may hereafter be granted by the Union of Soviet Socialist Republics or the Czechoslovak Republic in respect of the natural or manufactured products originating in any third country or intended for export to the territory of any third country shall be granted immediately and free of charge in respect of similar products originating in, imported from or intended for export to the territory of the other Contracting Party.

### *Article 3*

Neither of the Contracting Parties shall impose on imports from or exports to the territory of the other Party any restrictions or prohibitions which are not applicable to all other countries, with the exception of prohibitions or restrictions applied without distinction to all countries in like circumstances for reasons of public order and national security, the protection of public health, the protection of animal and plant life against disease, harmful pests and parasites, and the protection of vegetable seeds against degeneration.

Each of the Contracting Parties shall, in any event, take the interests of the other Party into account in establishing any restrictions or prohibitions on the importation or exportation of goods.

### *Article 4*

The natural or manufactured products of either Contracting Party which have been conveyed in transit through the territory of one or more third States shall not be liable, on importation into the territory of the other Party, to any duties or charges higher than those to which they would have been liable if they had been imported directly from their country of origin.

These provisions shall also apply to goods which are subjected, while in transit, to trans-shipment, repacking or warehousing.

*Article 5*

Subject to compliance with the existing regulations concerning temporary admission to the customs territories of the two Contracting Parties, the following articles shall be exempt from duties and charges on importation and exportation :

- (a) Articles intended for tests and experiments, and samples of goods;
- (b) Machinery and parts thereof imported for testing;
- (c) Goods intended for exhibitions, competitions and fairs;
- (d) Instruments and tools for fitters, whether imported or exported by them or sent to them before or after they have crossed the frontier;
- (e) Natural or manufactured products imported for processing or repair which are to be re-exported in their processed or repaired form;
- (f) Marked containers imported in order to be re-filled, and also containers which have been used for imported articles and which are to be re-exported at the end of a specified period;
- (g) Transport vehicles with their equipment, loaded or empty, even if they are to take up another load at any place for the return journey, provided that during their temporary stay in the territory of the other Contracting Party they are not used for internal transport.

*Article 6*

Internal charges which are or may hereafter be imposed on whosoever account on the production, processing, distribution or consumption of any article in the territory of one of the Contracting Parties, shall in no circumstances be levied on the goods of the other Party at a higher rate or in a more burdensome manner than on domestic goods of the same kind, or, in the absence of such domestic goods, on those of the most-favoured nation.

*Article 7*

The vessels of each of the Contracting Parties, their crews, passengers and cargoes shall be accorded in the ports of the other Party most-favoured-nation treatment with regard to entering, clearing and stationing; loading and discharging; dues and charges of every kind levied on behalf of and for the benefit of the State, municipalities or other institutions or organizations; moorings and the allocation of berths for loading and discharging in ports and roadsteads; supplies of fuel, lubricating oils, water and food; repairs; the use of pilotage services, canals, locks, bridges, and signals and lights used to mark navigable waters;

the use of cranes, weigh-bridges, anchorages, warehouses, shipyards, dry-docks and repair yards; the application of rules and formalities, including health and quarantine formalities; and, generally, with regard to all that relates to shipping.

Any advantages, facilities, privileges or immunities which are or may hereafter be granted in these matters by either of the Contracting Parties to any third country shall be extended immediately and free of charge to the other Party.

The provisions of this article shall not extend to

(a) the performance of harbour services, including pilotage and towage;

(b) coastal shipping; nevertheless, the vessels of either of the Contracting Parties proceeding from one port of the other Party to another for the purpose of landing the whole or part of a cargo brought from abroad, or of taking on board the whole or part of a cargo for a foreign destination; shall not be regarded as engaged in coastal shipping.

#### *Article 8*

If a vessel of one of the Contracting Parties is in distress or is wrecked on the coast of the other Party, such vessel and its cargo shall enjoy the same advantages and immunities as are granted under the laws and regulations of the appropriate Party in similar circumstances to vessels of the most-favoured State and their cargoes. The necessary aid and assistance shall be afforded at all times and in the same measure as in the case of national vessels, to the master, crew and passengers, and to the vessel and its cargo.

It is agreed that articles salvaged from a vessel which has been in distress or wrecked shall not be liable to any customs duties, provided that such articles are not intended for consumption inside the country.

#### *Article 9*

The nationality of vessels of the two Contracting Parties shall be reciprocally recognized on the basis of the papers and certificates carried by the vessel and issued by the competent authorities in accordance with the laws and regulations of the Contracting Party under whose flag the vessel is sailing.

Any tonnage certificates and other technical ship's papers issued or recognized by one of the Contracting Parties shall also be recognized by the other Party.

In accordance with this provision any vessel of either Contracting Party carrying a valid tonnage certificate shall be exempt from re-measurement in the

ports of the other Party and the net capacity of the vessel entered in the certificate shall be taken as the basis for calculating harbour dues.

#### *Article 10*

The two Contracting Parties shall grant each other in respect of the conveyance of goods, passengers and baggage by internal railways, roads or waterways, most-favoured-nation treatment in all matters relating to acceptance of consignments for conveyance, methods and costs of conveyance, and charges connected with the conveyance of similar consignments in the same direction and over the same distance.

With respect to the conveyance of goods, passengers and baggage between the two Contracting Parties, the provisions of the Agreement concluded between the railway administrations of the two Contracting Parties shall apply.

#### *Article 11*

The Contracting Parties shall grant each other the right of free transit for passengers, baggage and goods through their territories on the same conditions as those on which transit is granted to other countries.

#### *Article 12*

In view of the fact that, under the laws of the Union of Soviet Socialist Republics, foreign trade is a State monopoly, the Union of Soviet Socialist Republics shall maintain in the Czechoslovak Republic a Trade Delegation, the legal status of which shall be governed by the provisions of the annex to this Treaty, which shall constitute an integral part thereof.

#### *Article 13*

Czechoslovak bodies corporate and individuals shall enjoy in respect of their persons and property treatment as favourable as that accorded to the bodies corporate and individuals of the most-favoured-nation, in the exercise of trade, industry or any other economic activity in the territory of the Union of Soviet Socialist Republics, subject to the conditions under which such activities are permitted by the laws of the Union of Soviet Socialist Republics.

Soviet State economic organizations and other bodies corporate, and Soviet citizens shall enjoy in respect of their persons and property treatment as favourable as that accorded to the bodies corporate and individuals of the most-favoured-nation, in the exercise of trade, industry or any other economic activity in the territory of the Czechoslovak Republic, subject to the conditions under which such activities are permitted by the laws of the Czechoslovak Republic.

Individuals and bodies corporate of each Contracting Party shall be entitled to appear in court and shall have free access to the courts of the other Contracting Party. They shall in all cases enjoy the same treatment as individuals and bodies corporate of the most-favoured nation.

#### Article 14

The Contracting Parties undertake to enforce arbitral awards with regard to disputes which may arise in connexion with commercial contracts concluded by their citizens, organizations or institutions, if provision for settlement of the dispute by arbitration by an *ad hoc* or permanent body was made in the contract or in a separate agreement drawn up in the form required for the contract itself.

The enforcement of an arbitral award made in accordance with the foregoing provisions of this article may not be refused unless :

(a) the arbitral award has not become final and operative under the law of the country in which it was made;

(b) the arbitral award compels one party to the dispute to take some action which is contrary to the laws of the country in which enforcement of the award is sought;

(c) the arbitral award is contrary to public policy in the country in which enforcement is sought.

Orders for the enforcement of arbitral awards shall be made and the enforcement itself carried out in accordance with the laws of the Contracting Party enforcing the award.

#### Article 15

The provisions of this Treaty shall not extend to rights and advantages which have been or may hereafter be granted by either of the Contracting Parties for the purpose of facilitating frontier relations with adjacent States, within a zone not exceeding 15 kilometres in width on either side of the frontier.

#### Article 16

The Contracting Parties shall promote the exchange of technical knowledge between the two countries by sending experts, organizing industrial, agricultural and other exhibitions, and by other means.

#### Article 17

The Contracting Parties shall enter into negotiations as soon as possible concerning the conclusion of agreements relating to migration and the protection of rights to literary and artistic property.

*Article 18*

The treaty of commerce and navigation between the Union of Soviet Socialist Republics and the Czechoslovak Republic concluded on 25 March 1935<sup>1</sup> shall cease to have effect on the entry into force of the present Treaty.

*Article 19*

This Treaty shall be ratified and shall enter into force on the day of the exchange of the instruments of ratification which shall take place at Prague as soon as possible.

The duration of the present Treaty is not specified, but the Treaty shall cease to have effect one year after the date on which one of the Contracting Parties gives notice in writing of its desire to terminate the Treaty.

DONE in duplicate, at Moscow, on 11 December 1947, in the Russian and Czech languages, both texts being equally authentic.

IN WITNESS WHEREOF, the plenipotentiaries of the two Contracting Parties have signed this Treaty and have affixed thereto their seals.

A. MIKOYAN  
[L.S.]

Hubert RÍPKA  
Jiri HORAK  
[L.S.]

Annex to the Treaty of Commerce and Navigation between the Union of Soviet Socialist Republics and the Czechoslovak Republic of 11 December 1947

THE LEGAL STATUS OF THE TRADE DELEGATION OF THE UNION OF SOVIET SOCIALIST REPUBLICS IN THE CZECHOSLOVAK REPUBLIC

*Article 1*

The Trade Delegation of the Union of Soviet Socialist Republics in the Czechoslovak Republic shall exercise the following functions; it will :

- (a) promote the development of economic relations between the Union of Soviet Socialist Republics and the Czechoslovak Republic;
- (b) represent the interests of the Union of Soviet Socialist Republics in matters of foreign trade;

<sup>1</sup> League of Nations, *Treaty Series*, Vol. CLXI, p. 257.

(c) regulate trade between the Union of Soviet Socialist Republics and the Czechoslovak Republic on behalf of the Union of Soviet Socialist Republics;

(d) carry on trade between the Union of Soviet Socialist Republics and the Czechoslovak Republic.

### *Article 2*

The Trade Delegation shall form an integral part of the Embassy of the Union of Soviet Socialist Republics in the Czechoslovak Republic and shall have its headquarters at Prague.

The Trade Delegation shall have branches in the towns of Bratislava and Brno. Branches of the Trade Delegation shall subsequently be opened in other Czechoslovak towns after agreement between the Government of the Union of Soviet Socialist Republics and the Government of the Czechoslovak Republic.

The Trade Delegate of the Union of Soviet Socialist Republics in the Czechoslovak Republic and his three deputies shall have diplomatic status and enjoy all the rights and privileges accorded to members of diplomatic missions.

In addition to the persons referred to in the foregoing paragraph, the employees of the Trade Delegation who are citizens of the Union of Soviet Socialist Republics shall not be subject to the jurisdiction of the Czechoslovak Courts in matters connected with their employment. They shall be exempt in the Czechoslovak Republic from all personal and material obligations, whether military or civil, and also from Czechoslovak taxation on the emoluments they receive in the service of the Government of the Union of Soviet Socialist Republics.

The premises occupied by the Trade Delegation and its Branches shall enjoy extra-territoriality.

The Trade Delegation and its branches shall be entitled to use a cipher.

### *Article 3*

The Trade Delegation shall act on behalf of the Government of the Union of Soviet Socialist Republics. The Government of the Union of Soviet Socialist Republics shall be responsible only for commercial contracts concluded or guaranteed in the Czechoslovak Republic by the Trade Delegation and signed by authorized persons.

And commercial contracts whatsoever concluded without the guarantee of the Trade Delegation by any State economic organizations of the Union of Soviet Socialist Republics which under the laws of the Union of Soviet Socialist Republics enjoy the status of independent bodies corporate, shall be binding only on the organizations in question and execution in respect of such contracts may be levied only on the property of the said organizations. Responsibility for such transactions shall not be borne either by the Government of the Union of Soviet Socialist Republics or by its Trade Delegation in the Czechoslovak Republic or by any other State economic organizations of the Union of Soviet Socialist Republics.

### *Article 4*

The Trade Delegation shall enjoy the privileges and immunities arising out of article 2 of this annex, with the following exceptions :

(a) Disputes regarding commercial contracts concluded or guaranteed in the territory of the Czechoslovak Republic by the Trade Delegation under the first paragraph of

article 3 of this annex shall, in the absence of a reservation regarding arbitration or any other jurisdiction, be subject to the competence of the Czechoslovak courts and shall be settled in accordance with Czechoslovak law, save as otherwise provided by the terms of individual contracts or by Czechoslovak legislation. No interim orders may, however, be made against the Trade Delegation.

(b) Final judicial decisions against the Trade Delegation in the afore-mentioned disputes which have become legally valid may be enforced by execution but such execution may only be levied on the goods and credit balances of the Trade Delegation.

#### *Article 5*

The Trade Delegation shall not be subject to the regulations governing commercial registration. It shall publish in the Government publication of the Czechoslovak Republic the names of the persons authorized to take legal action on its behalf and information concerning the extent to which each such person is empowered to sign commercial contracts on its behalf.

A. M.

H. R.  
J. H.